

S E C R E T

September 6, 1963

MEMORANDUM FOR THE RECORD

SUBJECT: Minutes of the Meeting of the Special Group (CI)
3:30 p.m., Friday, September 6, 1963

PRESENT: Governor Harriman, The Attorney General, Mr. Bell, Mr. Murrow,
Mr. Nitze vice Mr. Gilpatrick, Mr. Helms vice Mr. McCone,
Colonel Higgins vice General Taylor, Mr. Komer vice Mr. Forrestal
Ambassador Stephansky, Mr. Cottrell and Mr. Tanes were present
for Item No. 1.

Mr. Phelps and Colonel Tabor were present for Item No. 2.

Mr. Maechling and Mr. Nolan were present for the meeting.

1. Progress Report on the Internal Defense Plan for Bolivia

Mr. Cottrell reviewed for the Group the current progress report and pointed out that military and miners' housing should have been included in the basic Internal Defense Plan. He mentioned several factors which are causing problems in the program to absorb the civilian militia into the Armed Forces. These include the difficulty of locating the arms of the various militia groups, and the Government's use of the peasant militia to confront the miners militia during the recent crisis.

In commenting on the Country Team's request to increase the exchange of persons program in FY64, Mr. Cottrell observed that there is a problem of identifying qualified Bolivian participants and that State does not have unlimited resources to support such an expanded program. Moreover, the work of the Peace Corps in the educational field will help to attain the same objectives as the exchange of persons program. The planned increase to \$360,000 is believed to be adequate based on information currently available.

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Ambassador Stephansky in commenting on the progress report pointed out that colonization is now taking place in remote areas and that about three quarters of a million people from the highland areas are moving into the low-lands. The magnitude of this migration may require a reassessment of plans to accommodate these people

In response to Mr. Nitze's question, Ambassador Stephansky stated that the political affiliations of the various civilian militia elements in Bolivia are well known. He does not believe it feasible within the immediate future to absorb the militia into the Armed Forces.

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The Ambassador said that encouraging developments in the land reform program are: it is based on private land holdings; the peasants are remaining in the rural areas and are not congesting the cities; President Paz is closely identified with this land reform program; and indications are that the peasants are loyal to Paz.

In answer to the Chairman's question, Ambassador Stephansky stated that he had reservations as to the value of Internal Defense Plans progress reports in assisting him in carrying out his duties. He added that some confusion exists as to what programs, either "internal defense" or "normal", require priority attention. He expressed concern that recommendations included in the progress reports ran into the same funding obstacles as those submitted through routine channels.

Ambassador Stephansky concluded by stating that the Paz regime is determined to carry out the mine reform program and that the Bi-National Centers are achieving excellent results.

In approving the progress report, the Group noted that it was previously approved by the Latin American Policy Committee.

2. Briefing on Project "AGILE"

Mr. Phelps, Director of Project AGILE, presented a briefing covering the mission, organization, funding and research and development projects being carried out under this program. He pointed out that experience has indicated the need to modify MAP supplied equipment for use in counterinsurgency operations. Close cooperation in this field exists between US organizations and the Armed Forces in Viet-Nam and Thailand.

Colonel Tabor reported that work is progressing on the Hughes jungle man-pack radio and that a new antenna kit has been developed for use with existing radio sets.

In response to Mr. Murrow's question, Mr. Phelps stated that based on General Harkin's evaluation, there is a firm military justification for defoliation and crop destruction operations in Viet-Nam.

Items 3 and 4 were deferred for consideration at the next meeting of the Group.

James W. Dingeman
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Executive Secretary
Special Group (CI)

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